

NACM **Webinars**

Reimagine Your Department (Your Career and Your Future)



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Manager of Client Financial Services
Robins Kaplan LLP

Robins Kaplan LLP



REWRITING
THE ODDS

High-stakes litigation representation.



Presentation Overview

- A quick review of some strategies and ways of reimagining credit helped a Fortune 500 Company improve A/R's by 4.3 days and also earned the presenter a President's Forum Award
- A brief discussion on why customer credit problems are truly customer service issues and should be escalated and managed in different ways than many credit professionals have handled in the past

Presentation Overview

- How credit positions are changing in scope and expectations, including a first person glimpse at how and why a “Credit and Collections Manager” position was reimagined and changed to a “Manager of Client Financial Services” in one year
- An examination of some process management solutions to help you improve your job and your department to more effectively, profits, A/R performance including principles of deconstructing your current credit philosophy, goals and tasks

Presentation Overview

- A discussion on proactive and customer-centric best practices reimagined that will accelerate cash flow and could increase your company profits in 2017
- An explanation of some new emerging trends and technologies that may change your job and your life
- A brief discussion new strategies and metrics of customer satisfaction that will allow you to reimagine and fine-tune your specific company requirements toward greater profits and success

Change

**IF YOU CHANGE NOTHING,
NOTHING WILL CHANGE.**

Genesis of Presentation

-----Original Message-----

From: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Sent: Sunday, December 11, 2016 8:54 PM
To: Karau, Robert C.
Subject: Hi

Are you still playing your harp? I think about you often and wonder if we might be able to connect XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX. I was just feeling comfortable with new job at XXXXXXXXX- but we just found out that they are restructuring our department and sending jobs overseas. I won't know for a few months if I will lose my job.

What do you think I should do? Have you heard of any job opportunities? I can hardly believe I am asking so soon after getting involved with my new job XXXXXXXX. I'm not fully trained yet - so again it is very uncomfortable.

Stay warm

Sent from my iPhone

Genesis of Presentation

Innovate
Or
Evaporate

Change Is A Business Constant

**IF YOU CHANGE NOTHING,
NOTHING WILL CHANGE.**

But Change Will Occur!

Genesis of Presentation

- Membership In Silo Busters Innovation Group
- 2016 A.L.A. National Conference Presentation
- 2016 Presentation To NACM Law Forum
- 2017 Nomination For A.L.A. IDEA Award



Presentation Overview



Example of Reimagined Credit

- ◎ New Director Of Credit
- ◎ Company That Was In Growth/Acquisition Mode
- ◎ Largest Acquisition In History Of Company
- ◎ Cost Of Capital Was An Issue
- ◎ Status Quo Was Not Enough

Reimagined Credit Department

- ◎ Tracking Of Payment Patterns Through Oracle And D&B
- ◎ Prospecting New Credit Approved Clients
- ◎ Hard Cut-off At 60 Days, Changed Aging Buckets
- ◎ Monday Service Alert To Management / Sales
- ◎ Changed Our Language

Reimagined Credit Department

- ◎ Client Service Calls On All Large Invoices
- ◎ ACH Push
- ◎ Credit Department Involvement In Customer Events
- ◎ Credit Personnel Has To Spend 3 Days With Sales
- ◎ Changes In Reporting

Reimagined Credit Department

- ⦿ Analyze & Synch All Processes With Terms
- ⦿ Change The Rules On Aging Guidelines
- ⦿ Opened New Lines of Communication
- ⦿ Published Policies
- ⦿ Re-engineered Credit Application and other forms

Reimagined Credit Department

- Employee Development Plan and Career Track
- Advancement Based on Experience, NACM classes, Mentorship, Online Instruction



Genesis Of Change



Genesis Of Change



Genesis Of Change



Genesis Of Change



Customer Relationships Can Be Like



Years To Grow but Moments To Destroy



There Is A Fear In Sales...



Mission



Maximize
Company Profits



Minimize
Company Risk



Maintain A
STRONG Cash
Flow



Manage
Everything with
World Class
Customer Service



The First Mission Statement



Manage
Everything with
World Class
Customer Service



Genesis Of Change



Credit &
Collections
Manager

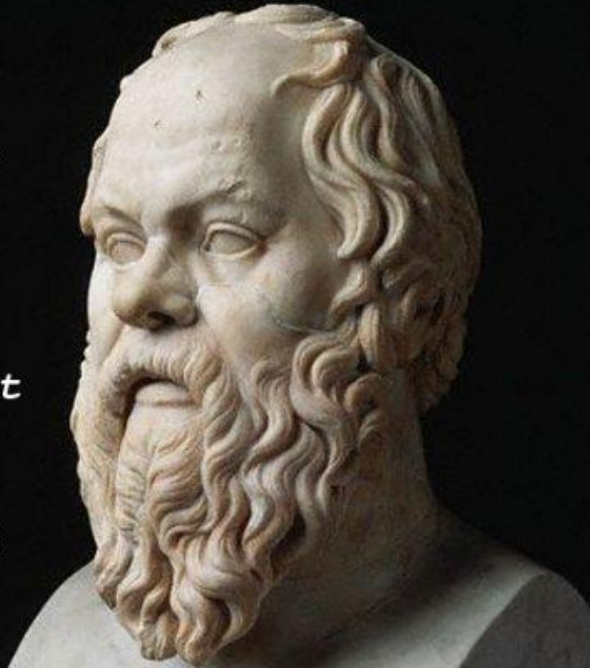
The diagram features a large blue rounded rectangle at the top containing the title 'Genesis Of Change'. Below the title, two large, light blue arrows point in opposite directions. The left arrow points left and contains the text 'Credit & Collections Manager'. The right arrow points right and contains the text 'Manager of Client Financial Services'. The arrows are positioned such that they appear to meet in the center, creating a sense of tension or a pivotal point of change.

Manager of Client
Financial Services

Why Change?

*The secret of change
is to focus all of
your energy, not on
fighting the old, but
on building the new.*

- Socrates



Are We Correctly Understanding All Aspects Of The Customer Relationship?



Are We Correctly Understanding All Aspects Of The Customer Relationship?

Realization:

All Customer credit problems are truly customer service issues and should be escalated and managed accordingly!

Perception Becomes Reality

**We don't see
things as they
are, we see
them as we are.
~ Anaïs Nin**

Every Collection Problem Is A Customer Service Problem



Every Collection Problem
Is A Customer Service
Problem!

Leveraging World Class Service In Credit



Gateways
to Success



Does Your Company Check Credit On New Customers?



Gateways To Success



Credit Checks

Protect the Bank?

Protect The Customer?

Gateway To Success



Great Documentation

Complete Information

Clear Payment Terms

**Collections Review With
Customer**

Gateway To Success



Invoice Design

**Call Prior
To Sending**

**Review of
First Bill**

**E-Billing Set-up
With Clients**

Prior Call -Case Studies

Days To Pay

- Terms of 30 Days

No Calls

- 67 Days

Calls

- 19 Days

Gateway To Success

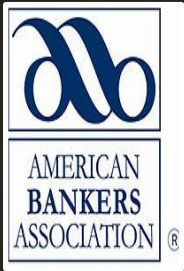


Track For The First Payment

First Payment Default



Case Studies



ABA Study



D&B Study



OCC Study

Gateway To Success



Teach Sales To Value The Services You Provide To The Customer And Do Not Make Excuses For Them Not Paying Your Company. Do Not Enable Your Customer To Pay Late.

Gateway To Success

Train and Educate All Parties



Gateway To Success - Deconstruction

Train and Educate All Parties



Map Your Processes

New Client Intake Process Narrative

- 1) CFS Specialist receives new client intake form from one of three sources:
 - a) Records Department
 - b) Billing Partner/LAA
 - c) Practice group chair

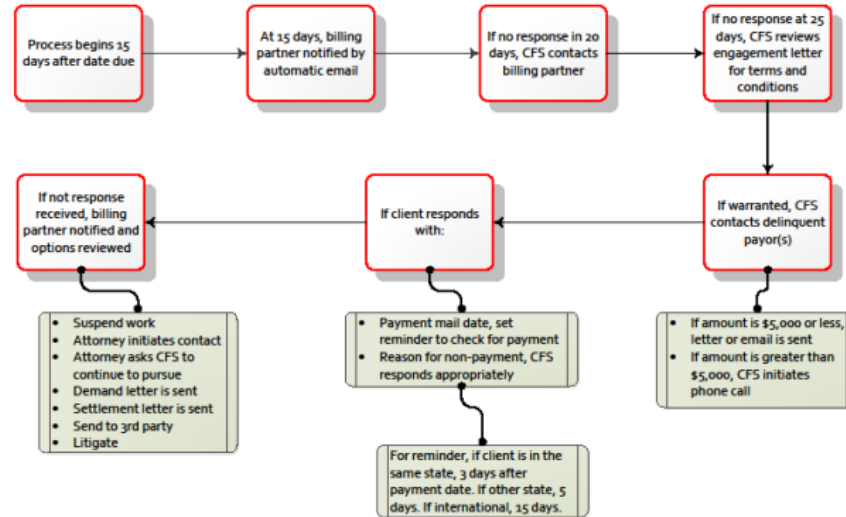
- 2) CFS Specialist performs research from various sources and databases:
 - a) Domestic – D&B and/or Experian reports pulled and report is sent to CFS Manager
 - b) International – Look up reports available from SkyMinder and send a list of them to the CFS Manager
 - i) CFS Manager determines which report(s) to order and advises CFS Specialist
 - ii) CFS Specialist orders appropriate report(s)
 - (1) Depending on time before report(s) delivery, CFS Manager may also notify Records and billing attorney of possible delay in processing
 - c) An OFAC screening is performed on all international clients by CFS Manager

- 3) CFS Manager reviews information to determine credit line
 - a) If information is sufficient for anticipated billings, CFS Manager signs off on new matter form
 - b) CFS Manager may also contact billing partner for additional information or to discuss anticipated risk(s). After discussing, one of three options then occurs:
 - i) A retainer is requested from client
 - ii) Decision is made to move forward and grant appropriate credit line
 - iii) Decision is made to turn down engagement. Records is then notified of this, if form had come to CFS from Records

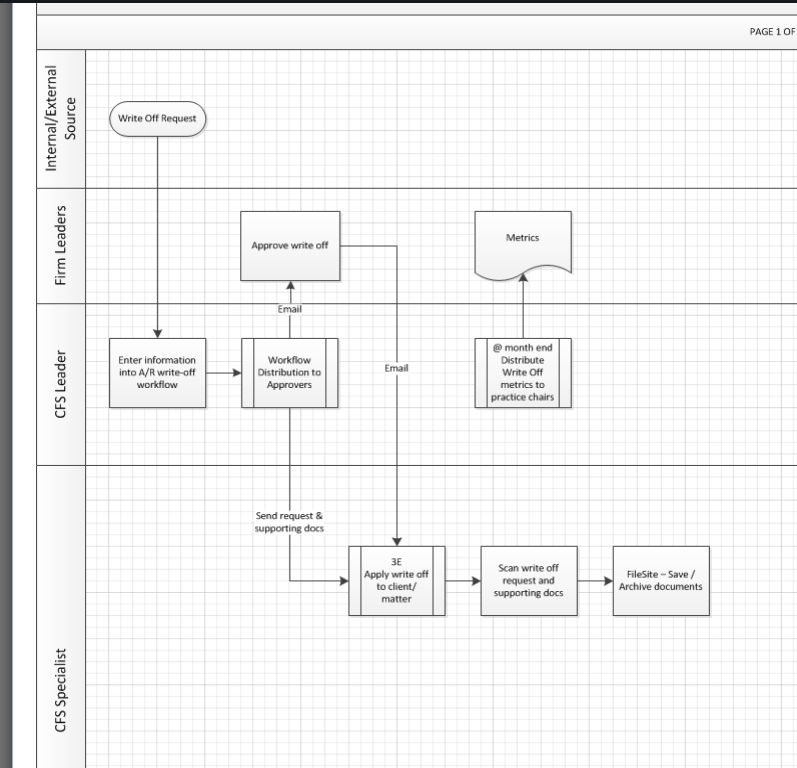
- 4) If client engagement is accepted, completed and signed, the new client intake form is sent to Records

Map Your Processes

Collection Process



Map Your Processes




Policy and Procedure Manual

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Policy and Procedure Manual

Function/ Title PROSPECTIVE COMMERCIAL CLIENT PRE-SCREENING	Effective Date 07.15.2016	
Revised By / Approved By R Karau	Revision Date 07.15.2016	

Purpose

The Prospective Commercial Client Pre-Screening process allows an attorney or LAA to request a credit check performed by Client Financial Services (CFS) prior to engagement to check that client's ability to pay the firm. Results may also suggest requesting a retainer, an evergreen retainer, obtaining a personal or cross-corporate guarantee or simply proceeding with caution.

Scope

The credit pre-screening is requested for potential large-dollar client relationships.

Big Rules

This check is not just done to protect the firm but also to protect the client's best interests. In some circumstances, the approach to an engagement may change based upon the client's inability to pay for and sustain expensive strategies. We will always disclose this with the client and, at times, may even help the client to obtain appropriate financing to pursue a more vigorous and costly approach.


Responsibility

Attorney /LAA	Initiates request
CFS Manager/ CFS Specialist	Executes the credit research
CFS Specialist	Files and retains credit search information

Procedure

1. Attorney or LAA contacts CFS to perform a pre-screening of a prospective commercial client
 - a. Request must contain:
 - i) Complete name of client
 - ii) Address of headquarters location
 - iii) Estimate on dollar amount of fees and cost for engagement
2. CFS researches client and pulls appropriate credit information
 - a. Credit information is Retained in applicable DMS.

Policy and Procedure Manual

Client Financial Services		Procedure Number: TBD
Function/ Title CFS NEW CLIENT COMMERCIAL INTAKE PROCESS	Effective Date 07.15.2016	
Revised By / Approved By R Karau	Revision Date 07.15.2016	

Purpose

The CFS New Client process allows the firm to better understand our commercial client's financial situation and enable us to act in the best interest of the client. It provides for the authorization of an initial credit line for each new client. The research to establish a line of credit also assists the firm in risk management by limiting its potential exposure to non-payment.

Scope

This process is for all new incoming commercial clients whose matters are not classified as pro bono or contingent. In some circumstances, the Client Financial Services Department may also be asked to check the credit on a contingent client where the client is still expected to pay costs or some part of the representation expense.

Big Rules/ Observations

The amount of information pulled to establish a credit line for the client is partly based upon the projected size of the representation. In order to maximize this process, we require the billing attorney to provide an accurate assessment of fees and costs. Completing this process effectively is a key to providing premier service to our client.

Responsibility

CFS Manager
CFS Specialist

Procedure

1. CFS Specialist receives new client intake form from one of three sources:
 - i) Records Department

Look For Value Added Services



E-Billing Support
Spreadsheet Magic
Report For The GC

“Price is what you pay,
Value is what you get.”
Warren Buffet

The REST of the Story

Customer First Initiative

ROBINS  KAPLAN LLP

August 4, 2016

“To Serve
and
Collect”

Money Matter\$

Client First

In the past, our Client Financial Services Group goals were:

- Minimize Risk
- Maximize Profits
- Maintain A Strong Cash Flow
- Manage All Areas with the Highest Level of Client Service

While we believe these are valid goals, we have changed them slightly to mirror our commitment of focusing on our client first. To this end, we have made a small change to these goals:

Signature Client Service

In July, a large, national client of our firm had invoices age over 45 days. While the Billing Partner was tempted to just wait to see if the situation would resolve itself, he called our department and asked Bob Karau to contact the client. Bob called the client and the client stated that they would research the problem. The client later contacted Bob and stated

To Serve
and
Collect

Money Matter\$

Signature Client Service

When A Collection Problem Is Also A Client Service Issue

In August, I was teaching a session at the Legal Law Forum in Chicago. During that session I asked: "When does a collection problem become a client service issue?" Members of the 26 firms attending the conference began to list off a number of scenarios where they felt a problem collecting from a client was also considered a client service issue. After some discussion, I asked a second question: "Can you give an example of a collection problem that is not a client service issue?" After more discussion, the consensus was that virtually every client collection problem is also a serious client service issue. Realizing this truth made the attendees better understand that slow payment from clients does not only impact the law firm but also impairs the firm/client relationship. Embracing this reality should help us understand the importance of a proactive and timely collections program.

Best Practices & Year-End Success

The key to year-end collection success truly begins on the first business day in January. Throughout the year, we repeatedly communicate payment expectations to our clients through actions we take and actions we fail to take. By not making collections a priority until the end of the year, we set a course of conduct that many of our clients perceive and embrace. Attached is a copy of best practices that can help ensure collection success and signature client service throughout the year.



Signature Client Service

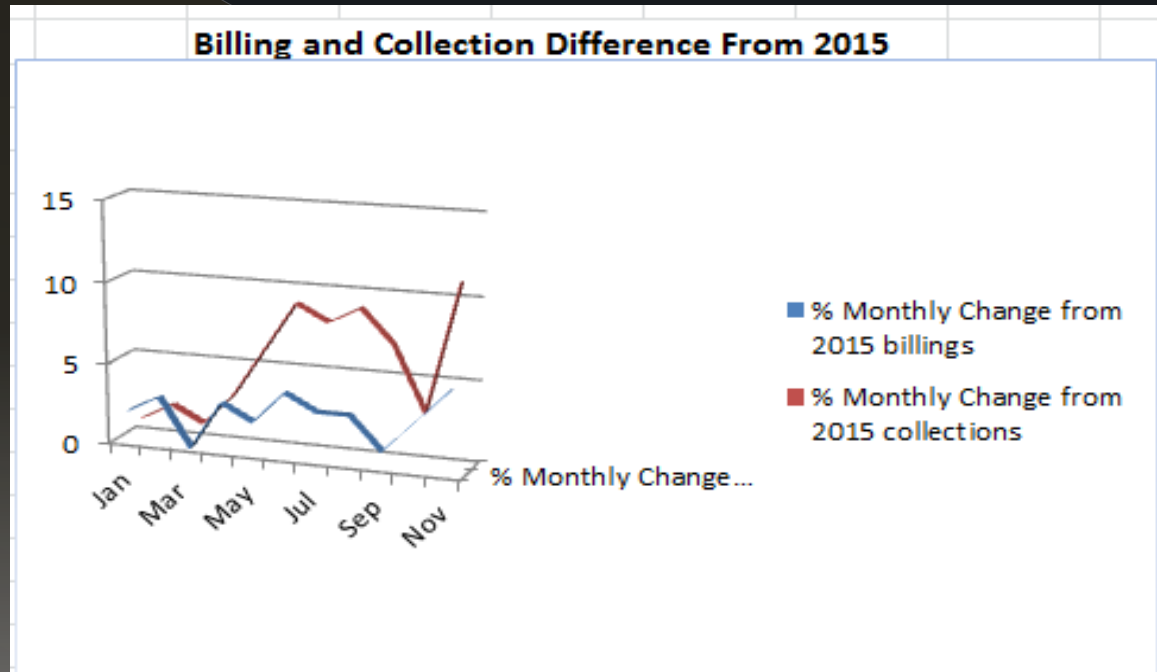
~Missing Invoices~

Each month, our firm receives client requests for invoice copies. Many of these requests are received shortly after our monthly statements are sent out. The problem is most prevalent for invoices mailed to clients. This is a definite client service issue. A number of these requests for invoice copies come from clients with a good payment history. I am sure that the client may have misplaced some of the requested invoices but they generally convey to us that they believe they never received them. If you are mailing your invoices to clients, please consider either changing this to email or emailing a courtesy copy in addition to your mailed copy.

OUR MISSION

- Offer Clients the Highest Level of Service
- Minimize Risk
- Maximize Profits
- Maintain A Strong Cash Flow

Does It Work?



Results







From our Chairman of the Board to firm:

I would like to take a moment and recognize Bob and Josh for the skillful and sensitive touch have with our clients when they "collect and serve". As both Dick Nigon and I emphasized at the Partner's Retreat, I strongly encourage all of us involved in the billing cycle to rely on Bob and Josh wherever possible. And, the News Letter itself keeps top of mind our most precious asset - our clients.

Martin R. Lueck
Chairman, Executive Board
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From our Managing Partner:

You forwarded this message on 8/8/2016 8:46 AM.

From:  Schumeister, Steven A.
To:  Karau, Robert C.
Cc:  Nigon, Richard J.;  Pritchard-Hedtke, Julie B.;  Gagner, Josh G.;  Lueck, Martin R.
Subject: Re: August News Letter



Excellent message and continuing work. Thanks Bob and Josh, and Bob I'm looking forward to our meeting next week.

Steve
Sent from my iPhone

Every Collection Problem
Is A Customer Service
Problem!

What Is Your Story?



Hopefully A Little
of My Story....Can
Help You Change
Your Story

Building and Growing Together



Artificial Intelligence



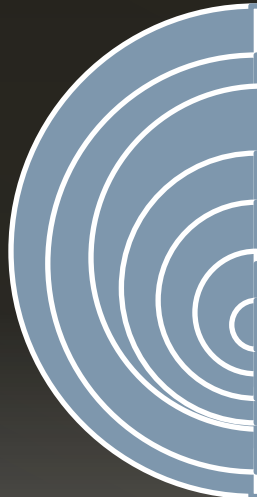
Artificial Intelligence

What Does It Do?

What Doesn't It Do?



New Tools & Technologies



WordRake
Pomodoro One
Todoist
Tiny Scanner
Fiverr
Internet of Things
Machine Learning

Change Is A Business Constant

**IF YOU CHANGE NOTHING,
NOTHING WILL CHANGE.**

But Change Will Occur!

NACM Webinars

QUESTIONS?

NACM **Webinars**

THANK YOU!